VANCOUVER ISLAND/COAST

Wood Supply for Specialty Mills

The Report of the Forestry Task Force

Recommendations to Hon. Stan Hagen,
Minister of Regional and Economic Development

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October, 1989

Canadian Cataloguing in Publication Data
British Columbia. Region One Forestry Task Force.
Wood supply for specialty mills.

At head of title: Vancouver Island/Coast.
ISBN 0-7726-1042-8

1. Forest products - British Columbia. 2. Forest products industry - British Columbia - Equipment and supplies. I. Ney, Hugh D.W. II. British Columbia. Ministry of Regional and Economic Development. III. Title. IV. Title: Vancouver Island/Coast Wood supply for specialty mills.

HD9764.C33B754 1989 338.4'7674'09711 C90-092001-7

This report was prepared for the Honourable Stan Hagen, Minister of Regional and Economic Development. It presents the results of a survey of independent, specialty wood product mills and manufacturers to assess the problem of wood supply and the mill operators suggestions for solving the problem. The survey was initiated by the Region One Forestry Task Force as part of their mandate to encourage the production of value-added wood products. The concern with wood supply arose out of the symposium, "Adding Value to B.C. Solid Wood Products", that the Task Force organized in 1988.

MEMBERS OF THE REGION ONE TASK FORCE

Chairman: Mayor Gerry Furney, Port McNeill

Regional Development Liaison Officer: Mr. Jim Cameron

MEMBERS

Lloyd Juhala	Port McNeill
Syd Forstrom	Powell River
Jim Trebett	Nanaimo
Hans Irg	Port Alberni

PREFACE

As Chairman of the Forestry Task Force for Region One (Vancouver Island/Coast), I am pleased to present this report in the hope that it will be widely read, and discussed.

This report presents the results of a survey that we initiated to determine the extent and nature of the wood supply problem for independent, specialty wood product mills and manufacturers. This subject was discussed at the symposium, "Adding Value to B. C. Solid Wood Products", that we organized with the help of the Ministry of Regional Development in 1988. At that symposium, the secure supply of raw material at a competitive, stable price was identified as a possible barrier to the growth in production of value-added wood products by independent businesses.

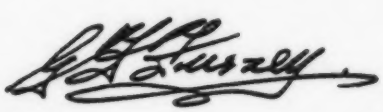
One of the recommendations from the symposium was for a computerized raw material sourcing system. This system would communicate the availability of lumber at primary mills and the requirements of secondary producers. Before determining the practicality of this proposal, the Task Force decided to undertake a survey of independent mills and producers to determine the extent of this industry in Region One, to assess the wood supply situation and to identify any other means for solving the raw material problem.

The survey concluded that the specialty wood product industry as represented by small, independent businesses is an important factor in the economy of Region One. The survey also concluded that wood supply is a serious problem that is limiting the size and growth of the industry.

The survey identified a number of means for alleviating the wood supply problem. These suggestions will receive serious consideration by our Task Force. We invite input from interested parties.

I am confident that it will enable our task force, our Regional Advisory Committee and our Minister to better understand the challenges identified at the symposium. This report will serve as a firm basis for action.

Respectfully submitted,



Mayor Gerry Furney, Chairman, Region One Forestry Task Force

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EXECUTIVE SUMMARY

The specialty wood products segment of the forest industry has excellent prospects for growth. A major challenge facing independent, secondary manufacturers is raw material supply.

This study was carried out to determine the extent of this problem and to obtain the reaction of independent mill operators to various programs and proposals aimed at alleviating this problem.

Objectives Of The Study

a] To identify the independent businesses that are engaged in producing specialty wood products in Region One,

b] To identify the products that each of these businesses produce and their sources of raw material,

c] To identify problems impeding future expansion and particularly to assess wood supply problems;

d] To solicit their suggestions for solving raw material supply problems;

e] To determine their interest in a computerized system for sourcing raw material;

Some Findings

* 68 mills / businesses were identified and interviewed.
* 53 operators stated that raw material supply was a problem.
* 28 operators have or will make bids under the value-added bid proposal system
* 40 operators said that they are interested in a computerized raw material sourcing system.
* Many suggestions were made for improving the supply of raw material to independent value-added producers.

Conclusions

a] The specialty wood product industry in Region One as represented by small, independent businesses is a significant generator of economic activity, employing at least 1000 people and producing a wide range of products, many of which are exported.

Conclusions continued

b] Wood supply is a serious problem for the industry and is limiting the size and growth of the industry.

c] The value-added bid proposal is meeting the need of some independent specialty wood producers and there is considerable interest in the wood lot program as a means of obtaining small amounts of quality wood.

d] Many of the operators feel strongly that the Ministry of Forests should change some of its programs and policies in order to increase the availability of timber to small independent wood processors on a secure, longer term basis. In particular the Ministry of Forests should consider changes to the value-added bid proposal system, the wood lot program and policies governing accessibility and stumpage rates for salvage material.

e] There is considerable interest in a computerized wood sourcing system.

Recommendations

I Initiate the preparation of a directory of primary and secondary sawmills and specialty wood product manufacturers in Region One.

II Discuss with representatives of Ministry of Forests the possibility of modifying some of their policies and practices with respect to:
- the value-added bid proposal system,
- the wood lot program, and
- access to salvage wood.

III Initiate or encourage the development of a computerized wood sourcing system (SAWS).

IV Invite one or more representatives from independent mills to become members of the Forestry Task Force. Perhaps the Forestry Task Force should be expanded to include other representatives from the Forest industry.

V Organize a forum to discuss the problems and challenges facing small, independent producers of specialty wood products with a view to providing some solutions.

INTRODUCTION

The specialty wood products segment of the forest industry has excellent prospects for growth. The recent study by Deloitte Haskins and Sells in cooperation with Carroll Hatch (International) Inc. for the federal and provincial governments confirmed the potential for extracting much higher values from B. C. timber resources.

In 1988 the Minister of State for Vancouver Island / Coast through his Forestry Task Force organized a symposium on "Adding Value to B.C. Solid Wood Products". This symposium brought many industry experts together to discuss the opportunities and challenges facing the industry. One challenge facing independent, secondary manufacturers is obtaining a secure supply of raw material at a competitive price. Many speakers at the symposium stated that the raw material is available. On the other hand, many independent operators regard supply as a major barrier to expansion. To what extent is raw material supply a problem? How can this problem be alleviated?

The Section 16.(1) provisions of the Forestry Act have been amended with the objective of providing more wood for independent, value-added wood product mills. But is this program practical for small, independent producers? Are there other ways of solving the raw material supply problem?

One recommendation made at the symposium was a computerized system to communicate availability of, and requirements for, raw material,"SAWS"[1]. (see Appendix A). Would independent companies be interested in this system?

There are other questions that need to be addressed in order to effectively encourage the development of the industry.

1] What is the extent of the specialty wood products industry in the Vancouver Island/Coast region?

2] To what extent is raw material supply a barrier to development? For whom?

3] Are there other problems impeding the growth of the specialty wood products industry?

This study was designed to address tl ese questions and recommend means for solving the apparent raw material supply problem by surveying independent processors of solid wood products in the Vancouver Island / Coast Region.

1] Gerry Furney is to be credited with this name which stands for "Sourcing Available Wood Supply" - "SAWS"

OBJECTIVES

The objectives of this study as presented in the proposal to the Minister of State are as follows:

1] To identify the independent businesses that are engaged in producing specialty wood products with the following criteria:

   a] Located in Region 1,

   b] Excludes primary mills that are primarily producing dimension lumber

   c] Engaged primarily in milling wood and therefore excludes furniture and truss manufacturing, wood finishing and preserving, etc.

   f] Not limited by size.

2] To identify the products that each of these businesses produces and their sources of raw material supply,

3] To identify problems impeding future expansion and especially to assess wood supply problems;

4] To solicit their suggestions for solving raw material supply problems;

5] To determine their interest in a computerized system for sourcing raw material;

METHODOLOGY

Identifying The Specialty Wood Products Businesses

The following sources were used to identify businesses in Region 1 that are producing specialty wood products:

- The B.C. "Manufactured Wood and Building Products Directory"
- Informat Services Inc. list,
- Madisons Directory,
- Economic Development Officers,
- Gene Smith of the Western Diversification Office,
- Richard Poliquin of the B.C. Trade Development Corporation,
- District offices of the Ministry of Forests, and
- Industry sources.

Primary mills were specifically excluded in the proposal but at the suggestion of Gerry Furney many were contacted.

Interviews Of Owner / Operators

Field visits were made to a number of mills, mainly in the Parksville, Port Alberni and North Island areas. The majority of the executives were interviewed over the phone.

A questionnaire was used to guide the interview. (see Appendix B)

Most executives responded freely to the questions and many were pleased that the Minister of State and his Forestry Task Force were interested in their situation vis-a-vis wood supply.

The results of the interviews were tabulated in a spread sheet and analyzed.

Resource People

A number of industry authorities were also contacted for their advice on the study. In particular the writer wishes to thank the following for their advice and comments:

Bill Howard, Manager, Small Business Program, Ministry of Forests
Richard Poliquin, B.C. Trade Development Corporation
Jim Trebett, Member, Region One Forestry Task Force,
Mayor Gerry Furney, Chairman, Region One Forestry Task Force,

RESULTS

IDENTIFICATION OF MILLS

Approximately 80 mills/businesses were identified and 68 were interviewed. The reasons some executives were not interviewed included:

- The businesses did not meet the criteria,

- The interviewer was unable to make contact, and

- Refusal of the executive to be interviewed.

Appendix C is a list of the mills whose executives were interviewed.

Twenty-five of the mills were classified as primary mills. These included relatively large sawmills such as the Field Sawmill Division of Primex Forest Products and Raven Lumber. Many were small bush mills and mobile dimension mills. Without doubt there are more of these small mills operating (intermittently in some cases) in Region One. The main reason for contacting some of these mills was to determine their interest in "SAWS". Without the involvement of primary mills, "SAWS" would not be viable.

The other specialty wood producers that were identified included:

- remanufacturing mills,

- specialty product mills,

- pole and piling producers,

- log home builders,

- an oar and paddle manufacturer, and

- furniture, window and door manufacturers.

We are confident that virtually all independent reman plants and specialty product mills have been identified. There are, no doubt, other log home builders and window and door manufacturers.

RESULTS

CHARACTERIZATION BY SIZE OF FIRM

Mill Capacity

How large are the independent producers in Region One? To what extent are they operating at capacity?

Many manufacturers do not measure their output in board feet and are not included in this statistic.

However the results demonstrate that most of these mills are very small with an average capacity of approximately 30 mfbm per shift and only 16 mfbm if the six largest mills are excluded.

Note that this statistic does not include specialty product firms such as log home builders, pole and piling producers, etc.

Many executives indicated that they were running at significantly less than capacity, most often because of a lack of raw material.

Employment

The survey revealed that approximately 1,000 people are employed by the firms interviewed. Obviously, these small, independent mills and specialty wood product firms are a significant source of employment in Region One.

The average number of employees is 16 but only 8 if the seven largest firms are excluded.

RESULTS

CHARACTERIZATION BY SIZE OF FIRM

Raw Material Usage

The total timber usage by these firms is approximately 2 million cubic meters(mcf.) per year. The mills that were identified as primary or integrated producers used 1.4 mcf. and secondary producers, 0.6 mcf. These volumes are not strictly additive because they would include material cut by primary mills and sent to reman mills and possibly further processed by specialty product manufacturers.

These are rough estimates based on production estimates supplied by the producers and applying approximate recovery factors. However they indicate that the independent businesses use relatively little wood.

The average consumption by the primary mills in the study is approximately 57,000 cubic meters. The average is only 7,000 cu.m. if the five largest mills are excluded. The average is 16,000 cu.m. for secondary producers and only 5,000 cu.m. if the four largest firms are excluded. The main conclusion to draw from this statistic is that these firms are not large users of timber resources. This is especially true for the secondary producers.

RESULTS

CHARACTERIZATION BY SIZE OF FIRM

TABLE I - SIZE OF FIRMS

PLANT CAPACITY (1)	
Total - All Mills	1,347 mfbm
Average size (all mills)	31 mfbm
Average - excluding largest	16 mfbm

EMPLOYMENT	
Total - all firms	1,066 people
Average - all firms	16 people
Average - excluding largest	8 people

RAW MATERIAL USAGE	PRIMARY MILLS	SECONDARY MFIRS
Total - all firms	1,377,647 cu.m	581,152 cu.m.
Average - all firms	57,402 cu.m.	15,707 cu.m.
Average - excluding largest	6,663 cu.m.	5,388 cu.m

RESULTS

CHARACTERIZATION BY SPECIES AND PRODUCT

Species Used

Table II indicates the number of firms that cut each species. As would be expected, cedar and fir are used by the most firms closely followed by hemlock and balsam.

A surprising number of firms are using hardwoods; an indication that alder and maple are being used more extensively for specialty wood products. One operator also cuts arbutus and yew in very small amounts.

Sitka spruce is particularly sought after by a number of specialty producers. It is being used to produce veneer that is used in making musical instruments, decorative panelling, etc. It is also used to make oars, paddles and other products in small amounts.

Products Manufactured

Table III gives a breakdown of the number of firms by product. Siding, fencing, shop blanks, panelling and doors and windows are the most common products manufactured by these firms. Of course, most of the primary mills also produce dimension lumber.

Other products produced but not listed in Table III include:

- oars and paddles,
- cabinets,
- handles,
- pine furniture
- garden furniture,
- veneer,
- lath & dunnage, and

Fourteen mills do custom cutting but only one mill used 100% of its capacity for custom cutting.

RESULTS

CHARACTERIZATION BY SPECIES AND PRODUCT

TABLE II - SPECIES

SPECIES USED	No. OF FIRMS
Cedar	43
Hemball	32
Douglas Fir	40
Pine	9
Cypress	12
Hardwood	11
Spruce	11

RESULTS

CHARACTERIZATION BY SPECIES AND PRODUCT

TABLE III - PRODUCTS

PRODUCTS MANUFACTURED	No. OF FIRMS
Panelling	14
Fencing	14
Moldings	9
Shop Blanks	18
Spindles (or spin. blanks)	5
Flooring	9
Pattern Stock	3
Siding	17
Pallets	2
Log Homes	2
Poles & Piling	2
Windows and Doors	9
Japanese Housing Components	2
Industrial clears	5

RESULTS

WOOD SUPPLY

Fifty-three of the operators interviewed stated that raw material supply is a problem for them. Some of the operators that stated that raw material is not a problem have mills that are mainly engaged in custom cutting.

Very few independent mills have a secure source of supply.

- Most of these businesses buy their raw material on the open market.
- One of the larger primary producers stated that they have put five people to work finding logs for their mills.
- A number of mills indicated that they will be ceasing their operations due to a lack of raw material.
- Some secondary manufacturers are buying their raw material in Alberta and the USA.

Some assessment of the raw material problem, as perceived by the mill operators, can be made from their comments, as summarized below.

Price

The price of raw material is a major problem. Many small primary mills that buy logs on the open market or bid on timber sales stated that they have to pay much higher prices for logs than integrated companies with TFL's.

Secondary mills and specialty product manufacturers find it difficult to pay export prices. For instance one producer stated that raw material prices had risen sharply due to export demand but that prices for his product in the USA had remained approximately the same.

RESULTS

WOOD SUPPLY

Small quantities

A number of secondary producers find it difficult to buy from major companies because their orders are very small. This is particularly true if they require special sizes and grades.

Access to salvage wood

A number of small primary mills acquire most of their wood from salvage operations in the woods or in dry land sorts. They had a variety of complaints including:

- Loggers burning or otherwise destroying logs that the salvage operators could use,
- Having to pay higher stumpage rates than shingle and shake mills for the same "dead & down" material.
- A number of operators felt that they should have easier access to 'dead and down' timber that the Ministry of Forests shows as having zero value in their forest inventory. These small mills have to pay a stumpage rate of up to $40 per cubic meter for this material.
- Apparently, companies with TFL's pay no stumpage for this material.

Security of supply

A number of executives said that they would expand or modernize their mills if they could acquire a secure supply. Others have to commit prices and quantities to their customers on a longer term basis but are subject to the vagaries of the market.

RESULTS

WOOD SUPPLY

Availability of right grades and sizes

A number of operators expressed frustration at trying to get the right grades and sizes for their operations. They often waste a high proportion of the raw material as a consequence of not obtaining the right sizes and grades. No doubt this is partly due to the fact that they place small orders. They realize that large, high production mills can not interrupt their production runs for small orders. A few secondary manufacturers are able to obtain their special requirements from small primary mills. Generally there seems to be poor communication between independent primary mills and secondary producers.

Commitments to Offshore Markets

Another reason small businesses apparently can not obtain raw material is because much of the high grade lumber is committed to overseas buyers on a long term basis.

RESULTS

VALUE-ADDED BID PROPOSAL PROGRAM

The operators were asked if they had, or will be, applying for timber under the value-added bid proposal system. Twenty-eight said that they either had or will be bidding. A few companies, especially the two companies that had been successful, said that it was an excellent system. Some managers stated that they will build additional facilities and modernize their plants if they become a successful bidder.

Thirty operators said that they are not interested, mainly because they consider their operations too small or because they have no knowledge of, or capability for, logging and primary sawmilling and did not want to enter into joint ventures with logging contractors or major companies. Some companies criticized it for the reasons summarized below.

The allocations are too large.

Many small businesses think that the amounts of timber are too large; that the program is not designed for small companies. Most would use only a small fraction of the the allocated timber in each sale.

The deposit requirements are too high.

The program requires a deposit equal to 10% of the total stumpage. The depositcan be as high as $500,000. A number of companies stated that they could not bid for this reason.

RESULTS

VALUE-ADDED BID PROPOSAL PROGRAM

The program favors proposed, new mills.

Businesses without any production facilities are allowed to bid on these timber sales. This results in the construction of new capacity. A number of operators stated that there already is too much capacity in primary and reman facilities and that by encouraging new milling capacity, the program is mis-directed. The program should be directed to providing existing mills with a secure supply of timber.

The allocated timber will revert to the major companies.

Some operators are very suspicious of the program. They maintain that major companies will be successful in retaining the timber by getting independent mills to front for them. Also many of the successful bidders will not fulfill their promises to build production facilities, etc., but rather will sell the timber to the highest bidder or will cut large cants and timbers for export.

RESULTS

COMPUTERIZED RAW MATERIAL SOURCING

The computerized wood sourcing system, "SAWS" (see Appendix B), was explained briefly in the interviews and the operators were asked if they would be interested. Forty operators stated that they would be interested and twenty-six said that they would not be interested. One executive stated that his company would not be interested because they now have a competitive advantage in sourcing wood and "SAWS" would reduce this advantage.

Comments made to the interviewer indicate that small primary mills have little knowledge of the potential users of their products. Also, secondary producers have not identified potential sources of supply. In short, there is no well-established market for the raw material used by reman mills and specialty product manufacturers. The probable reason is that most of these operators are too busy managing the production function to spend time researching the market.

Many of the operators expressed keen interest in "SAWS". Small primary mills perceived the system as a means of marketing their lumber. Small secondary producers thought it might help them access raw material more effectively.

RESULTS

OTHER SUGGESTIONS FOR IMPROVING SUPPLY

The operators were asked for their suggestions on solving the raw material supply problem and provided responses that are summarized below.

Buying Consortiums

Small independent mills should form buying consortiums to buy logs or rough lumber from the major companies so as to obtain the right grades, sizes and an assured supply. This would overcome the problem of trying to buy small quantities from the major companies. Also it might lead to better communication between the small secondary plants and the major companies.

Category 2 Small Business Timber Sales

Some managers thought that Category 2 timber sales should be reinstated on the coast.[2] The Ministry of Forests has Category 2 sales in the interior but only Category 1 sales on the coast. The difference is that bidders for Category 2 sales must own a sawmill whereas Category 1 sales can be bid for by independent loggers who can then sell the timber to whomever they want.

Sawmills can bid on Category 1 sales but the independent operators state that the sales usually go at a high price to a contract logger who in turn sells to one of the major companies. Many small mill operators argue that timber sales are a very small proportion of the major companies' wood supply but that they need the wood because their production capacity is greater than their wood supply. The incremental cost of wood from timber sales is not important to the major companies. They are only interested in their average cost of logs which is affected very little by the high cost of logs from timber sales.

The stumpage rate at timber sales is therefore bid up to relatively high prices compared to the stumpage price for timber in TFL's. Therefore independent mills have difficulty competeing for the crown timber sold through Category 1 timber sales.

2] According to one Ministry of Forests official, there never have been any Category 2 sales on the coast.

RESULTS

OTHER SUGGESTIONS FOR IMPROVING SUPPLY

Prohibit Major Companies From Indirectly Bidding On Timber Sales

As stated above, **timber form the small business program is being purchased indirectly by the major companies through contract loggers.** Many operators suggested that this practice should be prohibited by the Forestry Act. More timber would then be available to small, independent mills and the timber sale price would be lower.

Woodlot Program

A number of specialty producers are interested in the woodlot program as a secure, long term source of the timber. They could intensively manage and selectively log these mini-forests to obtain the type of timber they require for their products.

For instance, Chinook Forest Products has a 2000 acre woodlot that they are using as a source of logs for poles and pilings. Other specialty producers such as log home builders, manufacturers requiring Sitka spruce and cedar product mills expressed interest in having their own wood lot. Any logs that they could not use in their own operations could be traded for more suitable logs.

These woodlots might be especially suitable in areas where the public has expressed concern about clear cut logging. Some independent operators suggested that they could very selectively log these areas in a way that would not adversely affect the public consciousness.

The major criticism of the present wood lot program seems to be that most wood lots have low grade stands of timber. Some of these specialty producers require small amounts of the highest grade logs.

OTHER SUGGESTIONS FOR IMPROVING SUPPLY

Revise the Value-added Bid Proposal Program

Some of the managers thought that the system should be revised to make the timber more accessible to the smaller mills. **The size of the allocations should be reduced and the deposit requirements lowered.** Also the program should be directed to supply timber to existing mills rather than encourage the development of new facilities.

Include Hardwoods in Forest Inventory

Manufacture of specialty products using **hardwoods** is now commercially viable and therefore hardwoods **should be treated as valuable species.** Forest licenses should be issued for hardwoods and hardwood stands should be replanted with hardwoods where biologically and economically viable.

Improve Access to 'Dead and Down' Salvage Material

Approximately 10 of the operators use salvage wood as their main source of raw material. They had a number of suggestions concerning access to this material.

a] **They should have easier access to material left in the woods following clear-cut logging operations;**

b] There should be a greater effort on the part of loggers to refrain from destroying this material;

c] Sawmills should pay the same stumpage rate as shake and shingle mills for 'dead and down' timber.

d] The Ministry of Forests should allow them to log blow-down sites especially in relatively inaccessible areas.

RESULTS

OTHER SUGGESTIONS FOR IMPROVING SUPPLY

Prohibit Export Sales of Raw Logs

Many operators think that far too much of the timber is exported as raw logs. **A relatively small portion of the annual harvest is traded in the open market.** Log exports combined with excess processing capacity results in excessively high prices for logs in that market. As a consequence, mills that do not have a forest licence are at a competitive disadvantage.

Establish a Free Market for all Timber on Crown Lands.

A few operators made the bold suggestion that there should be a free market for all timber. This would mean that there could be no connection between the companies that harvest the forests and the companies that process the logs. They maintain that is the only way to maintain a level playing field for access to the province's timber resources.

RESULTS

OTHER PROBLEMS INHIBITING GROWTH

Twenty-four managers mentioned financing as a problem that is restricting their growth. Most stated that financing would not be a problem if they had a secure supply of raw material.

Marketing and management were mentioned by 13 and 12 operators respectively. Most producers have no problems in selling their products and could sell more if they had more raw material.

Seventeen operators mentioned labor as a problem. A number suggested that government should offer more apprenticeship programs for joinery tradesmen and sawyers.

A few companies are having problems with government regulations concerning zoning, waste disposal, WCB, etc.

Most of these companies stated that raw material supply is a much larger problem.

CONCLUSIONS

The following conclusions are drawn from the results of this study:

a] The **specialty wood product industry** in Region One as represented by small, independent businesses is a **significant generator of economic activity**, employing at least 1000 people and producing a wide range of products, many of which are exported.

b] **Wood supply is a serious problem** for the industry and is limiting the size and growth of the industry.

c] The value-added bid proposal program is meeting the need of some independent specialty wood producers and there is considerable interest in the woodlot program as a means of obtaining small amounts of quality wood.

d] Many of the operators feel strongly that the Ministry of Forests should change some of its programs and policies in order to increase the availability of timber to small independent wood processors on a secure, longer term basis. In particular the Ministry of Forests should **consider changes to the value-added bid proposal system, the wood lot program and policies governing accessibility and stumpage rates for salvage wood.**

e] There is considerable interest in "SAWS" a computerized wood sourcing system.

RECOMMENDATIONS

The following are some recommendations that should be considered by the Minister of State's Forestry Task Force.

I Initiate the preparation of a directory of primary and secondary sawmills and specialty wood product manufacturers in Region One.

II Discuss with representatives of the Ministry of Forests the possibility of modifying some of their policies and practices with respect to:

- the value-added bid proposal system,

- the wood lot program, and

- the salvage of "dead and down" timber.

III Initiate or encourage the development of a computerized wood sourcing system - "SAWS".

IV Invite one or more representatives of independent mills to become members of the Forestry Task Force. Perhaps the Forestry Task Force should be expanded to include other representatives from the Forest industry.

V Organize a forum to discuss the problems and challenges facing small, independent producers of specialty wood products with a view to providing some solutions. One of the important results of this forum would be the contact made between small primary mills and the specialty product manufacturers.

APPENDICES

APPENDIX A — EXPLANATION OF "SAWS"

One recommendation coming out of the "Adding Value to B.C. Solid Wood Products" symposium was for a computerized system to communicate availability of and requirements for raw material, Sourcing Available Wood Supply - "SAWS". Users and suppliers of solid wood would be connected by means of computers and modems to an industry bulletin board which would list specific wood items as being available or as being wanted by particular companies. Primary mills would list items that they currently have available and secondary manufacturers would list their requirements. A secondary manufacturer looking for raw material could then access the bulletin board to see if there is a source for his raw material requirements. If no source was found, the manufacturer might list his requirements on the board for a potential supplier to identify.

The service would be run by an independent contractor who would ensure that the system ran effectively for the benefit of the users. Each user would subscribe for a fixed fee on an annual basis. A government grant would probably be required to set up the system after which, subscriber fees would pay for the operation.

APPENDIX B **QUESTIONNAIRE**

VALUE-ADDED WOOD PRODUCTS - QUESTIONNAIRE

1. COMPANY NAME: _____

2. DIVISION: _____

3. ADDRESS: _____

   CITY: _____ CODE: _____ TEL: _____

4. CONTACT: _____ POSITION: _____

5. CAPACITY: _____ Mfbm/shift; _____ MMfbm / year;

   _____ Employees

6. PRODUCTS:

   Panelling _____ Fencing _____ Moldings _____

   Shop blanks _____ Spindles _____ Flooring _____

   Siding _____ Pattern Stock _____ Pallets _____

   Other _____

   Custom cutting _____

7. SPECIES:

   Cedar _____ Hemball _____ Fir _____

   Pine _____ Cypress _____ Hardwood _____

   Spruce _____ Other _____

VALUE-ADDED WOOD PRODUCTS - QUESTIONNAIRE cont.

8. RAW MATERIAL SOURCE: _____

Is supply a problem? yes _____ no _____

Comments _____

Interested in computerized wood sourcing system? _____

_____ yes _____ no _____

Has company applied for timber under Sec.16(1) of Forestry Act?

_____ yes _____ no _____

Other suggestions for solving raw material supply problem?

_____

9. OTHER PROBLEMS RESTRICTING GROWTH:

Financing: _____ yes _____ no _____

Marketing: _____ yes _____ no _____

Management Capacity: _____ yes _____ no _____

Skilled workers: _____ yes _____ no _____

Other: _____

APPENDICES

APPENDIX C — VANCOUVER ISLAND/COAST MILLS

REF	BUSINESS NAME	CITY
S1	CENTRE ISLAND CEDAR PRODUCTS LTD.	NANOOSE BAY, B.C.
P2	ERRINGTON CEDAR PRODUCTS	ERRINGTON, B.C.
P3	NAGAARD SAWMILLS LTD.	PORT ALBERNI, B.C.
P4	GIESBRECHT SAWMILLS LTD.	PORT ALBERNI, B.C.
I5	A C MOKKO MANUFACTURING LTD.	PORT ALBERNI, B.C.
P6	TALL TIMBERS WOOD PRODUCTS	PARKSVILLE, B.C.
S7	BARKLEY SOUND MARINE	QUALICUM BEACH, B.C.
S8	BILL SMITH FOREST PRODUCTS LTD.	CHEMAINUS, B.C.
S9	ADWOOD MANUFACTURING CO. LTD.	CHEMAINUS, B.C.
S10	TRANS-PAC RESOURCES LTD.	CHEMAINUS, B.C.
S11	REBCO WOOD PRODUCTS LTD.	PORT ALBERNI, B.C.
S12	COWICHAN JOINERY (DIV. OF SAUDER INDUSTRIES)	COBBLE HILL, B.C.
P13	SHUSHARTIE LOG SALES LTD.	PORT HARDY, B.C.
I14	DISCOVERY HARDWOODS	COURTENAY, B.C.
I15	DALE'S SAWMILL	AHOUSAT, B.C.
S16	CHINOOK FOREST PRODUCTS LTD.	COURTENAY, B.C.
S17	GROWELL INDUSTRIES LTD.	KOKSILAH, B.C.
S18	AQUILA CEDAR PRODUCTS LTD.	PARKSVILLE, B.C.
S19	PLENK'S WOOD CENTRE	CHEMAINUS, B.C.
S20	QUALITY BOX (1970) LTD.	DUNCAN, B.C.
S21	WESTLAND WOOD PRODUCTS LTD.	LAKE COWICHAN, B.C.
S22	C & D LATH MILL LTD.	DUNCAN, B.C.
S23	FUTUREWOOD PRODUCTS INC.	CHEMAINUS, B.C.
S24	K. M. COOK WOODWORKING	DUNCAN, B.C.
S25	ISLAND VENEER CORPORATION	DUNCAN, B.C.
S26	PACIFIC BLOCKERS	PORT ALBERNI, B.C.
S27	MARTIN WOODS CONSTRUCTION	DENMAN IS., B.C.
S28	WESTWOOD MOLDINGS LTD.	VICTORIA, B.C.
S29	NANAIMO HANDLE WORKS LTD.	NANAIMO, B.C.
S30	JIM DONNELLY WOOD DESIGN	NANAIMO, B.C.
S31	CENTURION LUMBER LTD.	CHEMAINUS, B.C.
S32	LAKE COWICHAN GARDEN TOYS	LAKE COWICHAN, B.C.
S33	QUINCO CEDAR INDUSTRIES	LAKE COWICHAN, B.C.
S34	DOGWOOD LUMBER CO.	DUNCAN, B.C.
S35	SARITA FURNITURE	BAMFIELD, B.C.
S36	SLUGGETT & BROWN JOINERY	VICTORIA, B.C.
S37	J B MILLIN DOORS & MILLWORK LTD.	SIDNEY, B.C.
S38	WESCON CEDAR PRODUCTS LTD.	DUNCAN, B.C.
S39	HAYWOOD INDUSTRIES (1982) LTD.	VICTORIA, B.C.
P40	NORTH COP SAWMILLS	HAGENSBORG, B.C.

APPENDICES

APPENDIX C — VANCOUVER ISLAND/COAST MILLS

REF	BUSINESS NAME	CITY
S41	CANADIAN BAVARIAN CABINETS & MILLWORK	DUNCAN, B.C.
S42	HI-TECH DOORS LTD.	MILL BAY, B.C.
P43	CAWLEY SAWMILL LTD.	CAMPBELL RIVER, B.C.
S44	CRAIG SAELE CUSTOM HOMES LTD.	COURTENAY, B.C.
S45	PALLAN TIMBER PRODUCTS LTD.	CAMPBELL RIVER, B.C.
S46	PULCAN ENTERPRISES	LADYSMITH, B.C.
P47	RAVEN LUMBER LTD.	CAMPBELL RIVER, B.C.
S48	ISLAND POLE & PILING LTD.	COURTENAY, B.C.
P49	WRIGHT'S LUMBER MILL	COURTENAY, B.C.
P50	BEAVER FOREST PRODUCTS	CAMPBELL RIVER, B.C.
P51	LASQUETI FOREST PRODUCTS	VICTORIA, B.C.
P52	LITTLE MOUNTAIN SAWMILL	PARKSVILLE, B.C.
P53	LAUGHLIN SAWMILLS	SOINTULA, B.C.
S54	LOG BROKERS INC.	MERVILLE, B.C.
P55	A.H. JACKSON CORP.	PORT MCNEILL, B.C.
S56	G.E. FLETCHER	LADYSMITH, B.C.
S57	COASTLAND WOOD INDUSTRIES LTD	NANAIMO, B.C.
S58	WOODSTOCK MOLDINGS/SAUDER INDUSTRIES	VICTORIA, B.C.
S59	VINTAGE WOODWORKS	VICTORIA, B.C.
S60	PRESTIGE JOINERY	VICTORIA, B.C.
P61	TWIN PEAKS SAWMILL	PORT MCNEILL, B.C.
S62	OLIVIER WOODWORKS	VICTORIA, B.C.
P63	FIELD SAWMILL (DIV. OF PRIMEX FOREST PRODUCTS LTD)	COURTENAY, B.C.
P64	TRUE-CUT SAWMILLS & MFTRG LTD.	POWELL RIVER, B.C.
S65	CEDAR WOOD WINDOWS LTD.	SIDNEY, B.C.
P66	HASLAM LAKE LUMBER LTD.	POWELL RIVER, B.C.
P67	FIRST GROWTH FIBRE & RECOVERY SYSTEMS LTD	CAMPBELL RIVER, B.C.
P68	HIGHLAND MILLS LTD	QUALICUM BEACH, B.C.